



ihcda.org

**PARTNER RESOURCES**

## IHCDA Mission

The Indiana Housing and Community Development Authority (IHCDA) provides housing opportunities, promotes self-sufficiency, and strengthens communities.

IHCDA's work is done in partnership with developers, lenders, investors and nonprofit organizations that serve low- and moderate-income Hoosiers. We leverage public and private funds to invest in financially sound, well-designed projects that will benefit communities for many years to come. The activities that we finance help increase family and community stability.

In turn, communities grow and prosper, broadening their tax base, creating new jobs, and maximizing local resources. IHCDA's work is truly a vehicle for economic growth, made possible through the partnerships we hold with stakeholders throughout Indiana.





## Programs

### NAP

The Neighborhood Assistance Program (NAP) offers \$2.5 million in tax credits annually for distribution by not-for-profit corporations as a fundraising incentive. NAP credits allow non-profits to leverage more contributions from individuals and businesses for certain neighborhood-based programs and projects. Eligible projects include affordable housing, counseling, child-care, educational assistance, emergency assistance, job training, medical care, recreational facilities, downtown rehabilitation, and neighborhood commercial revitalization. All projects must benefit economically disadvantaged areas and/or persons. The NAP program follows the state fiscal year from July 1 to June 30. Do you want to learn more about the tax credits for your non-profit?

Please contact the Community Programs Analyst at (317) 232-7777 or via email at [NAP@ihcda.in.gov](mailto:NAP@ihcda.in.gov) to learn about IHCDA's NAP Program and process.

[www.in.gov/myihcda/nap.htm](http://www.in.gov/myihcda/nap.htm)





## IDA

Indiana has the opportunity to receive Federal money from the U.S. Department of Health and Human Services (HHS) for its Individual Development Account (IDA) program through a competitive application process through the Assets for Independence Act. IHCD is required to match all Federal monies with State monies on a dollar for dollar basis.



Qualified participants set savings goals and make regular savings deposits. Participants are matched, at a minimum of \$3 for every \$1 that they save, with the ability to earn up to \$900 in matching funds per year. These funds can then be used to help participants reach asset goals such as:

1. Launch a new business;
2. Get the higher education and professional training needed to qualify for a better job;
3. Purchase a new home and create thriving, stable neighborhoods

[www.in.gov/myihcda/ida.htm](http://www.in.gov/myihcda/ida.htm)



## Homeownership Products

Lenders are the monetary force behind IHCD's mission to create housing opportunities. IHCD services all 92 counties through our network of preferred lenders who are working to provide loan and tax credit solutions for many Hoosiers to help make the dream of homeownership a reality.

To learn more about how to become a participating lender visit [www.in.gov/myihcd/lenders.htm](http://www.in.gov/myihcd/lenders.htm)



### AFFORDABLE HOME

Affordable Home offers first-time homebuyers the opportunity to receive an FHA loan at a below market interest rate. A borrower must bring their own down payment or may use an approved FHA source.

- FHA Loans Only<sup>^</sup>
- Below-Market Interest Rate Only (No DPA)
- Must be first-time homebuyer<sup>\*</sup>
- Cannot be combined with MCC
- Participating lenders can only charge 1% origination fee
- Participating lenders can only charge \$1,000 in fees<sup>\*\*</sup>





## MY HOME CONVENTIONAL

My Home Conventional offers qualified homebuyers a low, fixed interest rate on a conventional loan. Lenders can help you determine the best loan.

- Conventional Loans Only^
- Borrower provides 3% DPA
- Can be combined with MCC
- Loan level price adjustment can be avoided



## NEXT HOME

Next Home offers prospective homeowners who may or may not qualify for first-time homebuyers down payment assistance of up to four percent of the purchase price.

- Conventional and FHA Loans
- DPA of 3% (Conventional) and 4% (FHA)
- No first-time homebuyer requirement
- No purchase price limits
- DPA forgiven in 2 years







## MORTGAGE CREDIT CERTIFICATE

The Mortgage Credit Certificate offers qualified homebuyers an annual tax credit on their federal tax liability for the duration of their mortgage (not to exceed 30 years).

- Tax credit amount ranges between 20% and 35%
- Credit can be claimed each year, through life of mortgage
- Maximum credit per year is \$2000
- Must be first-time homebuyer\*



## NEXT HOME WITH MCC COMBO

If you are attracted to the tax benefits of the MCC and the down payment assistance of Next Home, then the Next Home with MCC combo may be the best option.

- Conventional and FHA Loans<sup>^</sup>
- Must be first-time homebuyer\*
- DPA 3% (Conventional) and 4% (FHA)

\*unless purchasing in a targeted county

<sup>^</sup>680 Credit Score required for Conventional, 650 Credit Score required for FHA

\*\*standard and customary fees



## STELLAR COMMUNITIES

The Stellar Communities program is a multi-agency partnership between Indiana Housing and Community Development Authority, Indiana Office of Community and Rural Affairs, Indiana Department of Transportation, Indiana Office of Small Business & Entrepreneurship, Indiana Office of Tourism Development, Indiana State Department of Health, Serve Indiana, Department of Natural Resources and the Indiana Finance Authority.

This program is designed to recognize Indiana's smaller communities that have identified comprehensive community and economic development projects and activities as well as next steps and key partnerships.

[www.in.gov/myihcda/stellar.htm](http://www.in.gov/myihcda/stellar.htm)

## CDBG

The Community Development Block Grant ("CDBG") is a HUD program designed as flexible funding to provide communities with resources to address a wide range of community development needs. Created in 1974, the CDBG program is one of the longest continuously run programs at HUD and provides annual grants to States and units of local government. IHCD utilizes its CDBG allocation for housing activities, primarily owner-occupied rehabilitation. Eligible applicants are non-entitlement cities, towns, and counties.

[www.in.gov/myihcda/cdbg.htm](http://www.in.gov/myihcda/cdbg.htm)





## HOME

The HOME Investment Partnerships Program ("HOME") is a HUD program designed to fund a range of activities including building and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income households. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. IHCDA utilizes its HOME allocation for the construction/rehabilitation of both rental and homebuyer affordable housing as well as tenant-based rental assistance. Eligible applicants include certified community housing development organizations ("CHDOS"), 501(c)(3) and (c) (4) not-for-profit organizations, public housing authorities, and local units of government in non-HOME participating jurisdictions.

[www.in.gov/myihcda/home.htm](http://www.in.gov/myihcda/home.htm)



## **DEVELOPMENT FUND**

The Indiana Affordable Housing and Community Development Fund ("Development Fund") was established in 1989 to provide financing options for the creation of safe, decent, and affordable housing and for economic development projects in Indiana communities. Development Fund regulations may be found in Indiana Code 5-20-4. Developments also involving federal funding (e.g. HOME Investment Partnership Program ("HOME") or Community Development Block Grant ("CDBG"), tax-exempt bonds, or Low-Income Housing Tax Credits ("LIHTC") must comply with the requirements of those programs.

The Development Fund provides a loan of up to \$500,000 (or a grant in limited special circumstances) for eligible activities as defined within the policy.

[www.in.gov/myihcda/devfund.htm](http://www.in.gov/myihcda/devfund.htm)

## **RENTAL HOUSING TAX CREDITS (RHTC)**

The Rental Housing Tax Credit ("RHTC") program provides federal tax credits to developers of affordable rental housing. Governed by Section 42 of the Internal Revenue Code, the RHTC program is designed to encourage the investment of private equity in the development of affordable rental housing through public/private partnerships. Each state housing finance agency is authorized to design its program to meet local needs and priorities and must define its method of allocation through a Qualified Allocation Plan ("QAP"). IHCDA's QAP describes the threshold requirements and evaluation criteria used to award RHTCs as well as Multifamily Bonds and gap financing in conjunction with credits.

[www.in.gov/myihcda/rhtc.htm](http://www.in.gov/myihcda/rhtc.htm)





## Partner Resource Guide

The Indiana Housing and Community Development Authority (IHCDA) is committed to creating housing opportunities, generating and preserving assets and revitalizing neighborhoods. This work could not be done without the strong support of our partners: local units of government, non-profit organizations, lenders, developers and realtors. This guide is intended to provide an overview of the programs and services available through IHCDA to these partners. We hope that you find this guide helpful. If you have any questions or comments please visit our partner website at [www.ihcda.in.gov](http://www.ihcda.in.gov) or call (317) 232-7777.



Sue Ellspermann  
Lieutenant Governor of the State of Indiana  
Chairman – IHCDA Board of Directors







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